

A CRITICISM OF MR. CARLISLE.

[Rejected by the American Banker.]

TO THE AMERICAN BANKER:—I have been much edified and interested in perusing your esteemed publication, which makes its welcome weekly visits with precision and regularity, and while dissenting from almost all I see in its columns, yet find the Banker an eminently fair and candid medium through which to become acquainted with "the other side."

It has been some time since I have troubled you with a communication, and I now wish the privilege of your columns in which to offer a few brief criticisms upon the letter written by Senator John G. Carlisle upon the silver question, such letter being published in the *American Banker* of August 13.

Kindly republish the following extracts from such letter.

Quoting from a speech made by himself, in the United States senate, Mr. Carlisle says:

My position upon this subject is briefly this: I am opposed to free coinage of either gold or silver, but in favor of unlimited coinage of both metals upon terms of exact equality. No discrimination should be made in favor of one metal and against the other; nor should any discrimination be made in favor of the holders of either gold or silver bullion and against the great body of the people who own other kinds of property. A great government should treat its citizens alike, and whenever it attempts to do otherwise it will engender a spirit of discontent, which sooner or later must disturb the harmony, if not the peace, of society.

He then continues as follows:

The last paragraph of this extract shows precisely what my position then was and always has been upon this subject. I believe that gold and silver bullion should be treated exactly alike in the mints of the United States—that is, that a dollar's worth of gold should be coined into a gold dollar, and a dollar's worth of silver should be coined into a silver dollar, and if no charge is made for coining the one, then no charge should be made for coining the other.

In my opinion the declaration made upon this subject by the democratic party at its recent national convention is perfectly sound in principle, and enunciates the only true public policy. That declaration is in the following language, which I do not think can be misunderstood by any one who reads it:

SEC. 7. We denounce the republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country and to the coinage of both gold and silver without discrimination against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and payments of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

The gold and silver coins cannot be of equal intrinsic value, as demanded by this resolution, unless the metal contained in each of them is of equal value while still in the form of bullion. Coinage adds nothing whatever to the intrinsic value of the metal, but only ascertains officially its weight and fineness, puts it in a convenient form for circulation, and authenticates it by the stamp of the government. The United States has coined over \$400,000,000 in silver since the passage of the act of 1873, but this has not added one cent to the intrinsic value of the metal contained in them, nor has the purchase and coinage of its enormous mass of silver during a period of fourteen years caused any increase in the price of silver bullion. On the contrary, the price of silver bullion in all the markets of the world, in those countries where there is free coinage, as well as in those where the mints are closed to silver, is much lower now than it was in 1873, when this government began to purchase it at the rate of \$24,000,000 worth per annum.

Neither gold nor silver coins, except

the subsidiary coins, will ever again enter into very general use as currency in any great commercial country. The principal office of these coins is to form a basis for the issue of notes or certificates, which constitute the most convenient form of circulation among the people. Any measure which would have a tendency to broaden this basis of circulation, by increasing the amount of metallic money with which the paper can be redeemed, would, in my opinion, be beneficial not only to this country but to the world generally; but this cannot be done by the fabrication of two coins of the same denomination but of unequal intrinsic value, because both of the coins cannot constitute at the same time the money of redemption. Sixty-eight cents' worth of silver and one dollar's worth of gold cannot both be standards of value at the same time and place, and this has been fully demonstrated by our own experience during the last fourteen years; for, although the silver dollar has been all that time a full legal tender under the statutes of the United States, everybody admits that we are still on a gold basis and, therefore, the value of the paper in circulation is measured, not by silver, but by gold.

How can we change this and so broaden the basis of circulation as to make silver a part of the real money by which values shall be measured and paper redeemed? There are only two ways in which this can be done by governmental action; first, by the coinage of a silver dollar actually containing a dollar's worth of silver; or, secondly, by an international agreement fixing a common ratio between silver and gold for coinage purposes. When either of these things is done silver will be fully remonetized, and silver and gold together will constitute the real metallic money of the world, the money with which all paper circulation will be redeemed, and into which all contracts will be resolved upon that settlement.

I quote thus fully from Mr. Carlisle's letter, in order that the readers of the *American Banker* may have the subject of criticism before them in juxtaposition to the criticism itself.

The foregoing plausible argument offered by Mr. Carlisle would appear, at first glance, to be fair and logical, but upon investigation it will be found to be a string of specious sophistries, intended to deceive and befuddle the unwary.

I shall very briefly point out the disingenuous ingenuity exhibited by Mr. Carlisle in his effort to make untrue assertions and professions assume the form of truth immaculate.

In the first place Mr. Carlisle is not "in favor of unlimited coinage of both metals upon terms of exact equality," nor does he mean what he says when he states that "no discrimination should be made in favor of one metal and against the other." In thus boldly making these assertions, I either question Mr. Carlisle's sincerity, or deny his claim to a reasonable knowledge of the subject of which he writes. He is either insincere or ignorant. To test his sincerity, I should ask him if he favors the idea of taking away the legal value from gold, by repealing all statutes which give the value of one dollar to any certain number of grains of gold, just as has been done by silver, in the United States and in several other nations? To test his knowledge, I should ask him if he considered "terms of exact equality" the affixing the value of the one metal by law, for monetary purposes, while the value of the other metal, for monetary purposes, is determined by the demand for its use in the arts and for commercial purposes. He is either ignorant or insincere, who denies the following basic proposition, to-wit: "When by coinage laws, a certain quantity of metal is given a money value of a certain denomination, unrestricted coinage being accorded to such metal, the total product will take to itself the legal value affixed to it for monetary purposes, and the commercial value will be merged into the money value."

The more I peruse Mr. Carlisle's letter,

the stronger grows my conviction that it is ignorance, rather than insincerity, which troubles him. He speaks of "68 cents worth" and "one dollar's worth" of silver and a "standard of value." From whence does he imagine cents and dollars are evolved? Is he not aware that they are legal terms, created by the fiat of law? Or does he imagine them to be natural products? What does he suppose might happen, if instead of calling 23.3 grains of gold "one dollar" and measuring the commercial value of silver with such law made dollar, we should declare 371.25 grains of silver to be "one dollar" and proceed to measure the value of gold with a silver "standard of value?" That is the way they do in India. Mr. Carlisle says: "Sixty-eight cents worth of silver and one dollar's worth of gold cannot both be standards of value at the same time and place." Paraphrased—"Silver of the commercial value of 68 cents and gold of the arbitrary legal value of one dollar cannot both be a dollar unless silver is remonetized." Certainly not. But it has been pretty well established that the quantity of gold which the law says is worth one dollar, costs but 39 cents to produce, while many silver mines are shutting down because they cannot produce 371.25 grains of silver for 68 cents. Why not reverse the operation for a while and demonetize gold and make silver the so-called "standard of value?"

But in the last paragraph of that portion of his letter which I have herein before quoted, Mr. Carlisle gives the strongest evidence of a lack of knowledge concerning monetary matters, unless indeed he is presuming upon the ignorance of those whom he expects to read his letter. In the words, "or, secondly by an international agreement fixing a common ratio between silver and gold for coinage purposes," there is a tacit and implied admission that the law is able to give to silver a certain monetary value and keep such value intact.

Mr. Carlisle will, of course, reply that he means such a "common ratio" as is commensurate with the decreased value of silver. That is to say, that as the commercial value of one ounce of silver is but 84 cents, there should be 570 grains of silver put in the dollar instead of 371.25 grains. This is murdering philosophy and strangling justice, with a vengeance. The removal of the legal prop from the value of silver has caused it to depreciate about 45 per cent. in twenty years, and now it is proposed to crystallize into law this infamous robbery of the debtor class and make perpetual the reign of the gold dollar. "Turn about is fair play." Suppose we demonetize gold, instead of remonetizing silver, and let both the metals take their chances and proper places, as commodities, under the beneficent operation of the sub-treasury plan of the farmers' alliance.

The supreme court of the United States uttered words of wisdom when it declared that the value of a dollar was "an ideal thing," and we are but attempting the impossible when we attempt to con-

vert an ideal into a substance. The value of a dollar, and the only value it ever did or ever can honestly possess, is its purchasing power. If a certain number of grains of gold are called a dollar, then as gold becomes scarce, as compared to population, the purchasing power of the dollar becomes greater and greater, with the ultimate result of the utter ruin of the debtor and producing classes. The result would be the same, no matter how much paper money we may have, if gold at its present appreciated value is made the sole money of account and redemption. But with the unit dollar, or money unit, stamped upon paper, and kept at a uniform per capita circulation for ordinary purposes, with an extraordinary or supplemental volume to move the crops, the purchasing power of money would remain uniform and steady, and gold and silver might be relegated to their proper sphere among all other valuable commodities.

Mr. Carlisle says, "Coinage adds nothing whatever to the intrinsic (I) value of the metal." This is the first time during the whole range of the discussion of the silver question that I have read or heard such a preposterous proposition. All writers concede the fact that coinage privileges add very materially to the value of any metal. But enough, I will forbear.

GEO. C. WARD.

Kansas City, Mo.

From National Headquarters.

To the Reform Press:

The St. Louis *Post Dispatch* of September 15 published what purported to be an interview with myself in regard to the position that our party is going to take on the force bill and other matters. I want to say that that interview had no existence except in the imagination of the reporter. The reporter was here, but I did not give him a single word. The St. Louis *Republic* of September 15 also had a long editorial in which they claim that we shifted our position in regard to the Omaha platform. I want to say that every word of it is a falsehood.

At the meeting of the executive committee here on the 12th inst., the question the St. Louis *Republic* speaks of never came up. Not a word was mentioned in our meeting in regard to federal interference and United States marshals and supervisors at the polls in the south, nor at the meeting of the chairmen of the different state committees was a single word said by any one on that question. It is a tissue of falsehood the way the St. Louis daily press has represented the executive committee and the chairmen of the different state committees. Some of the chairmen of the state committees possibly made an expression of their individual opinion, but as far as the committee is concerned not a single word was uttered that the press announces, especially the St. Louis *Republic*. It is a fabrication out of whole cloth. I take this step to warn our people on the outside against these falsehoods.

H. E. TAUBENECK.

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